

Message Text

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70

ACTION EB-11

INFO OCT-01 AF-10 ARA-16 ISO-00 INT-08 SCEM-02 COME-00

SPC-03 AID-20 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20

STR-08 OMB-01 CEA-02 L-03 PA-04 PRS-01 USIA-15 H-03

DODE-00 PM-07 DRC-01 /149 W
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FM AMEMBASSY NASSAU

TO SECSTATE WASHDC 4814

INFO AMEMBASSY TRIPOLI

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E. O. 11652: N/A

TAGS: ENRG BF LY

SUBJ: OIL COMPANIES' ACTION AGAINST LIBYAN OIL IN THE BAHAMAS

1. MOBIL OIL AND TEXACO ARE ATTEMPTING LEGAL ACTION IN THE BAHAMIAN COURTS AGAINST OIL SHIPPED FROM LIBYA TO THE BAHAMAS. ON OCTOBER 16, THE BAHAMAS SUPREME COURT GAVE REPRESENTATIVES OF MOBIL OIL LIYBA LTD AUTHORITY TO INSPECT AND TAKE SAMPLES OF AN ESTIMATED \$1,500,000 WORTH OF "AMAL" CRUDE OIL SAID TO HAVE BEEN WRONGFULLY SHIPPED FROM RAS LANUF, LIBYA, ABOARD THE TANKER NEPCO COURAGEOUS. TEXACO IS SEEKING SIMILAR ACTION ON ANOTHER SHIPMENT. BOTH ARE CONSIGNED TO THE GRAND BAHAMA PETROLEUM COMPANY LTD, AND AFFILIATE OF THE BAHAMAS OIL REFINING COMPANY IN FREEPORT, GRAND BAHAMA. MOBIL AND TEXACO ARE CLAIMING THE CRUDE BELONGS TO THEM FROM CONCESSIONS GRANTED PRIOR TO NATIONALIZATION BY LIBYA. FYI: A LOCAL ATTORNEY FOR ONE OF THE OIL COMPANIES FELT THEIR CASE WAS WEAK.

2. LIBYA HAS BEEN ONE OF THE PRINCIPAL SOURCES OF PETROLEUM PRODUCTS FOR THE BORCO REFINERY. \$78.5 MILLION WORTH WAS IMPORTED IN 1972. ONE OF BORCO'S MAIN CLIENTS IS CONSOLIDA-

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TED EDISON IN NEW YORK.

3. THE LOCAL PRESS QUOTES AN OFFICIAL OF THE GRAND BAHAMA PETROLEUM CO SAYING THAT "HE WAS UNAWARE OF ANY EVENT (REFER-
RING TO THE LIBYAN CUT-OFF SHIPMENTS TO THE US) THAT WILL
AFFECT BORCO'S OPERATIONS."

4. SAUDI ARABIA, NOT A MAJOR SUPPLIER, HAS BANNED SHIPMENTS
TO THE BAHAMAS UNTIL NOVEMBER 30. THE REPRESENTATIVE OF
CHEVRON, WHICH IS 35 PERCENT OWNER OF THE BORCO REFINERY,
TOLD THE EMBASSY THE COMPANY IS NOT CLEAR WHETHER THE LIBYAN
CUT-OFF WILL INCLUDE THE BAHAMAS. A GOOD DEAL OF THE REFIN-
ERY'S SUPPLIES FROM LIBYA HAD BEEN PREVIOUSLY CUT OFF THROUGH
THE NATIONALIZATION. BORCO IS ATTEMPTING TO SUPPLEMENT THEIR
SUPPLIES FROM NIGERIA AND SOUTH AMERICA. THE CHEVRON OFFI-
CIAL SAID BORCO MAY BE FACED WITH A REDUCTION IN OUTPUT.
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